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SIPDIS

STATE PASS TO AMBASSADOR GROSS
USTR FOR AUSTR WEISEL AND JMCHALE
COMMERCE FOR JBAKER

SIPDIS
SENSITIVE

E.O. 12958: N/A
TAGS: [ECPS](#) [ECON](#) [ETRD](#) [EINV](#) [SN](#)
SUBJECT: TELECOM REGULATOR ISSUES MIXED DECISION ON LOCAL
EXCHANGE CLOSURES

REFS: A) SINGAPORE 222

B) SINGAPORE 996

¶1. (U) The Infocomm Development Authority (IDA) has directed Singapore's dominant telecom carrier, SingTel, to give competitors up to 18 months notice concerning any local exchange it intends to close. IDA's June 7 decision extends the previous requirement from six months and comes nearly one year after SingTel announced vague plans to gradually consolidate its 27 existing exchanges to 12 (ref A). Under its Reference Interconnection Offer (RIO), SingTel is required to offer other telecom licensees co-location spaces at its exchanges for access to tower sites, points of interconnection, and submarine cable landing stations.

¶2. (SBU) Although U.S. telecom companies welcomed the longer notification period, they were disappointed that IDA's decision did not also require SingTel to compensate competitors for costs associated with exchange closures. IDA has argued that 18 months should allow adequate time for competitors to amortize construction and other costs associated with build-out to affected exchanges. However, industry has told us that the average timeframe is in fact considerably longer and that their network rollout and investment plans therefore will continue to remain in limbo.

¶3. (SBU) IDA refused to consider industry recommendations (made earlier this year during a public comment period on regulating exchange closures) to allow competitors tandem access -- i.e., economically efficient points of connection -- to SingTel's network. In particular, the Asia Pacific Carriers' Coalition (APCC), which includes U.S. carriers, suggested that tandem access would eliminate much of the guess-work and unforeseen costs associated with SingTel's proposed consolidation. IDA argued that the discussion of tandem exchange access was "clearly outside the scope of this current regulatory proceeding."

¶4. (U) The "IDA's Decision and Explanatory Memo for Decommissioning of Co-Location Sites Under SingTel's RIO" is available at www.ida.gov.sg under "Policies and Regulation."

Comment

¶5. (SBU) IDA's unsatisfactory decision represents the latest in a series of actions that fall short of Singapore's obligations under the U.S.-Singapore Free Trade Agreement (FTA) to ensure reasonable access to leased lines for competitive carriers in the domestic market. USG senior officials and post have

repeatedly raised these concerns, most recently during the May 11 annual FTA review in Singapore (ref B). We will continue to press the GOS to fulfill its commitments.

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